

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 208/TT/2015

Coram:

**Shri Gireesh B. Pradhan, Chairperson
Shri A.K. Singhal, Member
Shri A.S. Bakshi, Member
Dr. M.K. Iyer, Member**

**Date of Hearing: 06.10.2015
Date of Order : 16.10.2015**

In the matter of

Approval of transmission tariff for Asset 1: Bhiwani-Hisar 400 kV D/c Line along with associated bays at Bhiwani and Hisar and Asset 2: LILO of Moga-Bhiwadi 400 kV D/C line at Hisar along with associated bays at Hisar under "Northern Region System Strengthening Scheme XXV" in Northern Region for tariff block 2014-19, under Regulation 86 of Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 and Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014.

And in the matter of

Power Grid Corporation of India Limited,
"Saudamani", Plot No.2,
Sector-29, Gurgaon -122 001

.....Petitioner

Vs

1. Rajasthan Rajya Vidyut Prasaran Nigam Limited,
Vidyut Bhawan, Vidyut Marg,
Jaipur- 302 005
2. Ajmer Vidyut Vitran Nigam Limited,
400 kV GSS Building (Ground Floor), Ajmer Road,
Heerapura, Jaipur
3. Jaipur Vidyut Vitran Nigam Limited,
400 kV GSS Building (Ground Floor), Ajmer Road,
Heerapura, Jaipur



4. Jodhpur Vidyut Vitran Nigam Limited,
400 kV GSS Building (Ground Floor), Ajmer Road,
Heerapura, Jaipur
5. Himachal Pradesh State Electricity Board,
Vidyut Bhawan, Kumar House Complex Building II,
Shimla-171 004
6. Punjab State Electricity Board,
Thermal Shed TIA, Near 22 Phatak,
Patiala-147 001
7. Haryana Power Purchase Centre,
Shakti Bhawan, Sector-6,
Panchkula (Haryana)-134 109
8. Power Development Department,
Govt. of Jammu and Kashmir,
Mini Secretariat, Jammu
9. Uttar Pradesh Power Corporation Limited,
(Formerly Uttar Pradesh State Electricity Board)
Shakti Bhawan, 14, Ashok Marg,
Lucknow-226 001
10. Delhi Transco Limited,
Shakti Sadan, Kotla Road,
New Delhi-110 002
11. BSES Yamuna Power Limited,
BSES Bhawan, Nehru Place,
New Delhi
12. BSES Rajdhani Power Limited,
BSES Bhawan, Nehru Place,
New Delhi
13. North Delhi Power Limited,
Power Trading & Load Dispatch Group,
Cennet Building, Adjacent to 66/11kV Pitampura-3,
Grid Building, Near PP Jewellers,
Pitampura, New Delhi-110 034



14. Chandigarh Administration,
Sector-9, Chandigarh

15. Uttarakhand Power Corporation Limited,
Urja Bhawan, Kanwali Road,
Dehradun

16. North Central Railway,
Allahabad

17. New Delhi Municipal Council,
Palika Kendra, Sansad Marg,
New Delhi-110 002

.....**Respondents**

For petitioner : Shri Jasbir Singh, PGCIL
Shri S. S. Raju, PGCIL
Shri M. M. Mondal, PGCIL
Shri S.K. Venkatesan, PGCIL
Smt. Sangeeta Edwards, PGCIL
Shri Subhash C. Taneja, PGCIL
Shri K.K Jain, PGCIL

For respondents : None

ORDER

The petitioner, Power Grid Corporation of India Limited (PGCIL) has filed this petition for approval of the transmission tariff for Asset 1: Bhiwani-Hisar 400 kV D/C Line along with associated bays at Bhiwani and Hisar and Asset 2: LILO of Moga-Bhiwadi 400 kV D/C line at Hisar along with associated bays at Hisar (hereinafter referred to "transmission assets") under "Northern Region System Strengthening Scheme XXV" in Northern Region in accordance with the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as "the 2014 Tariff Regulations"). The petitioner has also prayed to allow 90% of the Annual Fixed Charges in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations.



2. The matter was heard on 6.10.2015 for consideration of the petitioner's prayer for grant of Annual Fixed Charges (AFC) in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations. The representative of the petitioner submitted that, as per the Investment Approval (IA) dated 24.9.2013, the assets were scheduled to be commissioned within 30 months from the date of approval of Board of Directors which was 19.9.2013. Accordingly, the scheduled commissioning is 18.3.2016. The representative of the petitioner submitted that Asset 2 was commissioned on 2.7.2015 and Asset 1 is now anticipated to be commissioned on 1.12.2015. He further prayed to allow 90% of Annual Fixed Charges (AFC) in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations.

3. As per proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations, the Commission may grant upto 90% of the AFC of the transmission system or element thereof for the purpose of inclusion in PoC charges in accordance with the Central Electricity Regulatory Commission (Sharing of Inter State Transmission charges and losses) Regulations, 2010. Regulation 7(2) of the 2014 Tariff Regulations provides that the application for tariff should be made in accordance with the Central Electricity Regulatory Commission (Procedure for making of application for determination of tariff, publication of the application and other related matters) Regulations, 2004 (hereinafter referred to as "2004 Regulations"). Regulation 7(4) of the 2014 Tariff Regulations provides that such an application shall be filed as per Annexure-I of these Regulations.



4. We have considered the submissions of the petitioner. The petitioner has made the applications as per Annexure-I of the 2014 Tariff Regulations. The petitioner has also complied with the requirements of 2004 Regulations, such as service of the copy of the application on the beneficiaries, publication of notice and web hosting of the application, etc.

5. After carrying out preliminary prudence check of the AFC claimed by the petitioner and taking into consideration the cost over-run, which will be looked into at the time of final tariff, the Commission has decided to allow tariff for the instant assets in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations as given in para 6 of this order for the years 2015-16 and 2016-17.

6. The details of the tariff claimed by the petitioner and tariff allowed by the Commission are as under:-

A. Annual transmission charges claimed by the petitioner are as follows:-

Particulars	(₹ in lakh)			
	2015-16 (pro-rata)	2016-17	2017-18	2018-19
Asset - I	885.25	1825.37	1872.77	1881.08
Asset - II	571.50	815.22	862.90	883.06

B. Annual transmission charges allowed are as follows:-

Particulars	(₹ in lakh)	
	2015-16 (pro-rata)	2016-17
Asset - I	674.21	1390.21
Asset - II	356.61	508.69

7. The AFC allowed in this order shall be applicable from the date of commercial operation of the transmission system and the billing, collection and disbursement of the transmission charges shall be governed by the provisions of Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2010, as amended from time to time. Further, the transmission charges allowed in this order shall be subject to adjustment as per Regulation 7(7) of the 2014 Tariff Regulations.

8. The Commission directed the petitioner to submit the following information on affidavit with a copy to the respondents by 20.11.2015 and the respondents to file their replies by 4.12.2015 and rejoinder, if any, to be submitted by 18.12.2015.

- a) Status of commissioning of Asset 1. If there is any change in COD of the Asset 1, petitioner is required to furnish Auditor / Management certificates for the same. The revised Tariff Forms for both the Assets, as the tariff forms submitted are based on Anticipated CODs of the assets;
- b) The dates on which the Management Certificates are signed ;
- c) The Revised Cost Estimates, if any;
- d) Documents in support of date of drawl, Interest Rate and Repayment Schedule for Bonds XLVI, XLVII, XLVIII, SBI (2014-15) loan and Proposed Loan 2015-16 (8.40%) deployed as per Form-9C. Also furnish the following additional information in respect of IBRD V foreign loan:
 - i) Date of drawl of loan; and
 - ii) Exchange Rate proof at the Actual COD;If there is any default in the interest payment on any loan mentioned at Form-9C, petitioner is required to provide the details;
- e) Computation of interest during construction (IDC) on cash basis, along with the editable soft copy in Excel format with links, from the date of infusion of debt fund up to Actual COD of the Assets;



- f) Computation of interest during construction (IDC) on cash basis, along with the editable soft copy in Excel format with links, from the date of infusion of debt fund up to actual COD of the Assets;
- g) Clarify whether the undischarged liability portion of IDC/IEDC has been included in the projected additional capital expenditure claimed;
- h) Form-9 (Details of allocation of corporate loans to various transmission elements) and Form-12B (Draw down Schedule for calculation of IDC & Financing Charges) in respect of both the Assets;
- i) Clarify whether entire liability pertaining to initial spares has been discharged as on COD, if no, year wise detail of discharging of the same, among the Substation and Transmission line separately;
- j) Detailed reasons for cost variation; and
- k) Certificate from RLDC as per Regulation 5(2) of the 2014 Tariff Regulations.

9. The petitioner is directed to work out the tax on return on equity and the deferred tax liability for the period 2014-19 as per the observations made in order dated 15.4.2015 in Petition No. 532/TT/2014.

10. The Commission also directed the petitioner and the respondents to file the information within the dates specified and observed that information received after the due dates shall not be considered.

11. The petition will be listed for final hearing after the information sought vide para 8 is filed.

sd/-
(Dr M.K. Iyer)
Member

sd/-
(A.S. Bakshi)
Member

sd/-
(A.K. Singhal)
Member

sd/-
(Gireesh B. Pradhan)
Chairperson

